

U.S. House Republicans responsible for overseeing Wall Street banks plan to focus this year on ending the notion of too-big-to-fail and overhauling housing finance, according to a draft agenda to be reviewed this week.

Federal Reserve efforts to stimulate the economy in the wake of the 2008 financial crisis and agencies implementing the 2010 regulatory overhaul will also come under scrutiny of the House Financial Services Committee, the panel's leader said in a copy of the document obtained by Bloomberg News. The panel is scheduled to vote on the oversight plan Feb. 14.

"The Dodd-Frank Act enshrines too-big-to-fail into law, giving big financial institutions a government-guaranteed advantage over those deemed too small to save," Representative Jeb Hensarling of Texas, the committee's chairman, said in the document.

Lawmakers and regulators from both parties -- including Fed Governor Daniel Tarullo -- have called for new efforts to limit systemic risk, arguing that the 2010 law failed to curb the growth of large banks that needed bailouts after Lehman Brothers Holdings Inc (LEHMQ). collapsed in 2008. **Representative John Campbell**, a California Republican, plans to offer a bill today that would shrink the biggest lenders by requiring them to hold more capital, and other lawmakers plan to offer legislation similarly designed to end too-big-to-fail.

Senate Committee

Senator Tim Johnson, the South Dakota Democrat who leads that chamber's Banking Committee, said his panel will focus this session on Dodd-Frank implementation, stabilizing the housing market, approving expiring programs and "expeditiously" considering nominations.

The committee panel will "focus on ways to reduce the government footprint in the housing market while ensuring access, affordability, stability and fairness in the mortgage market," Johnson said in a statement today.

“From protecting consumers and taxpayers from Wall Street abuses, to providing the Federal Housing Administration with additional tools to manage its finances while continuing to serve American families, I believe we can and must find common ground,” Johnson said.

Hensarling also has made housing one of his top issues, beginning with a series of hearings on the financial condition of the Federal Housing Administration. The House panel plans to hold its second hearing on the agency tomorrow.

Housing Market

Hensarling is also looking to wind down Fannie Mae (FNMA) and Freddie Mac (FMCC), the mortgage-finance companies that have operated under U.S. conservatorship since they were seized amid soaring losses in 2008. His panel will look for ways to stimulate the housing market while examining proposals to end the two government-sponsored enterprises, he said in the House document.

“The committee will examine the overall size of the GSEs’ footprint in various aspects of the housing finance system and ways to reduce or constrain their large market share and develop a vibrant, innovative and competitive private mortgage market,” Hensarling said in the draft.

The 21-page House document also outlines plans to review derivatives measures, the Financial Stability Oversight Council’s systemic designation authority, implementation of the Volcker rule ban on proprietary trading and the structure of the Consumer Financial Protection Bureau.

The oversight plan isn’t final and is subject to change. Democrats may also offer amendments to the document.

The Senate panel will monitor regulators implementing Dodd- Frank, including Volcker and the consumer bureau. Officials from seven agencies including the Fed and the consumer agency are scheduled to testify on the financial-regulation law at a Feb. 14 hearing. The committee will approve its budget, rules and subcommittee organization the same day.

